

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,  
Debtor.

Chapter 11 Case No.  
08-13555 (JMP)  
(Jointly Administered)

In re

LEHMAN COMMERCIAL PAPER INC.,  
Debtor.

Chapter 11 Case No.  
08-13900 (JMP)

**STIPULATION AND ORDER AMENDING  
PROOFS OF CLAIM #32,695 (LBHI Guaranty) and #32,697 (LCPI)**

Claimant State Street Bank and Trust Company (“State Street”) and debtors Lehman Commercial Paper Inc. (“LCPI”) and Lehman Brothers Holdings Inc. (“LBHI”) submit this Stipulation and Agreed Order pursuant to Rule 3003 of the Federal Rules of Bankruptcy Procedure.

WHEREAS, LCPI was the Seller under that certain Master Repurchase Agreement dated May 1, 2007 (as amended, supplemented and otherwise modified from time to time, together with all related documents and agreements entered into in connection therewith, the “MRA”) by and among LCPI, as Seller, and State Street, as Buyer;

WHEREAS, LBHI guaranteed the obligations of LCPI under the MRA in favor of State Street by executing a guaranty on May 1, 2007, and by executing a certain Amended and Restated Guarantee on July 5, 2007 (the “Guaranty”);

WHEREAS, State Street has initiated an adversary proceeding, concerning its claims under the MRA, as part of these bankruptcy proceedings, captioned *State Street Bank &*

*Trust Company v. Lehman Commercial Paper Inc.*, Adversary Proceeding No. 08-01743-JMP  
 (“Adversary Proceeding”);

WHEREAS, in the Adversary Proceeding, State Street has asserted certain claims (the “340 Madison Claims”) seeking declaratory and other relief regarding a loan relating to a property located at 340 Madison Avenue in New York, New York (the “340 Madison Loan”);

WHEREAS, State Street, LCPI and LBHI have executed with respect to the 340 Madison Loan a settlement agreement dated as of June 30, 2010 (the “Settlement Agreement”) and State Street and LBHI have executed a participation agreement dated as of June 30, 2010 (the “Participation Agreement”, and with the Settlement Agreement, the “Agreements”), the forms of which were approved by the Court by Order dated June 21, 2010 [Docket No. 9705];

WHEREAS, pursuant to, and as defined in, the Agreements, State Street owns a certain State Street Ownership Interest in the 340 Madison Loan, which consists of an undivided fifty percent (50%) participation interest in the 340 Madison Loan, effective as of September 17, 2008 (“Deemed Transfer Date”);

WHEREAS, pursuant to the Agreements, on July 2, 2010, State Street and LCPI submitted to the Court a joint stipulation and agreed order dismissing the 340 Madison Claims from the Adversary Proceeding, exclusive of State Street’s and LCPI’s rights under the Agreements;

WHEREAS, State Street filed Proof of Claim No. 32,696 against LCPI on September 22, 2009 (“In Rem Claim”) relating to State Street’s *in rem* claim to ownership of the 340 Madison Loan;

WHEREAS, State Street filed Proof of Claim No. 32,697 against LCPI on September 22, 2009 (“LCPI Claim”) relating to certain obligations of LCPI under the MRA, in an amount to be proven that is not less than \$425,000,000.00;

WHEREAS, State Street filed Proof of Claim No. 32,695 against LBHI on September 22, 2009 (“LBHI Claim”) relating to certain obligations of LBHI under the Guaranty, in an amount to be proven that is not less than \$425,000,000.00;

WHEREAS, pursuant to the Settlement Agreement, State Street filed a notice of withdrawal of the *In Rem* Claim (Claim No. 32,696) on or about July 7, 2010 [Docket No. 10079];

WHEREAS, the Settlement Agreement provided that State Street would amend the LCPI Claim and the LBHI Claim so as to (i) assert no claim that State Street owns any portion of the 340 Madison Loan other than the State Street Ownership Interest set forth in the Agreements, and (ii) reflect the agreement among State Street, LCPI, and LBHI, in computing State Street’s shortfall claim under the MRA, that State Street has received the State Street Ownership Interest effective as of the Deemed Transfer Date and that State Street’s shortfall claim will be reduced by the value of the State Street Ownership Interest as of the Deemed Transfer Date from what the claim would have been had State Street received nothing of value in respect of the 340 Madison Loan, all as set forth in the Agreements;

IT IS HEREBY STIPULATED AND AGREED AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED that the LCPI Claim (Claim No. 32,697) is amended by this stipulation such that the amount of State Street’s claim under the MRA is reduced by the value of the State Street Ownership Interest as of the Deemed Transfer Date, in an amount to be proven; and

IT IS FURTHER HEREBY STIPULATED AND AGREED, AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED that the LBHI Claim (Claim No. 32,695) is amended such that the amount of State Street's claim under the Guaranty is reduced by the value of the State Street Ownership Interest as of the Deemed Transfer Date, in an amount to be proven.

Dated: New York, New York  
July 9, 2010

**STATE STREET BANK AND TRUST  
COMPANY**

*By its attorneys,*

/s/ Andrew C. Phelan

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**LEHMAN BROTHERS HOLDINGS  
INC. and LEHMAN COMMERCIAL  
PAPER INC.**

*By their attorneys,*

/s/ Howard B. Comet

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**SO ORDERED:**

Dated: New York, New York  
July 15, 2010

s/ James M. Peck  
UNITED STATES BANKRUPTCY JUDGE